

FEATURE

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MULTINATIONAL ADOPTS A DISTRICT FOR DEVELOPMENT

by NARENDRA AGGARWAL

This is the story of a quiet transformation that is taking place in the villages of the underdeveloped Etah district in the heavily populated and vast north Indian state of Uttar Pradesh.

Etah district has a population of over one million, largely dependent on agriculture. There are only two factories in the district: a sugar mill, and a dairy plant of Hindustan Lever Limited, the Indian subsidiary of the multinational Lever Brothers. The dairy was a losing proposition, and by 1973 Hindustan Lever had decided to sell it and pull out of the district. But following appeals by the State Government and the employees, the company decided to stay on.

What to do with a losing unit and some surplus staff from another unit in Ghaziabad town experienced in agricultural development work? The company chairman, Mr T. Thomas, decided to experiment, using managerial talent to initiate integrated rural development in the vicinity of the factory. What began as an experiment subsequently grew and is now envisaged to cover the entire district in five years.

The program began in August 1976 when five supervisors were located in the villages of Srisa Badan, Mamao, Alipur, Tikathar and Dhurauli. Luckily, the supervisors were agricultural graduates with 12 years experience and, as they came from Uttar Pradesh State itself, they were quite familiar with local conditions. Each stayed in the village assigned to him for six weeks and came back with information and impressions that helped the company to identify some of the main problems in the area.

It was discovered that the villagers completely lacked skilled guidance in agriculture and animal husbandry. There were almost no warehousing and marketing facilities for agricultural products. Finance was a big problem as local money-lenders charged high interest rates and bank lending practices were often corrupt.

Against this background -- and the potential for development -- Hindustan Lever took up the challenge of rural development and posted five supervisors permanently in the villages in September 1976. The company undertook to pay their salaries and gave them a free hand to interact with the local people and motivate them for change.

The number of supervisors has since been increased to nine, and two managers have been stationed at Etah town to guide them. A Manager for Rural Development, experienced in social work, directs the Etah development work from the corporate headquarters in Bombay. Among other things, he also keeps the chairman posted of the progress of the program.

The company chairman, Mr Thomas, travels over 1,000 kms from his Bombay office to Etah once a month to meet with the local people and authorities and to get first-hand information on how the work is progressing. He insists that the company's objective is not to pour funds into the district or to spoon-feed selected farmers in some villages, an approach that has long been tried in the country through various schemes and development plans. Hindustan Lever only proposes to help by paying for infra-structural facilities such as managerial talents and by subsidizing equipment and inputs to a limited extent. In the current year the company will spend about Rs 1.5 to 2 million (Rs 8.5 = US \$1) on the Etah project. Over the five years, by the end of which almost all villages are expected to be covered either directly or through multiplier effect, the company will have spent about Rs 10 million on the project.

The strategy is simple. In each village covered by a supervisor, some farmers are selected on the basis of their willingness to accept help and guidance. The supervisors then assist them in deciding on crop rotation, seed varieties, improved practices such as row width, seeding rate, fertilizer dosage, irrigation intervals, tilling, weeding, etc.

Because most of the farmers in the region seemed unenterprising, generally preferring to wait for some other farmer to try out the new and improved varieties and methods before adopting them themselves, the supervisors chose the technique of doing intensive work with a few farmers and motivating them to go in for demonstration farms. The results of this approach are already clear: in less than two years, yields of major crops like wheat, sugarcane, tomatoes, green peas, etc., have increased considerably.

The company keeps the district authorities informed about its activities. Efforts are also made to draw out the local officials so that they can pool their resources in the directions identified by the supervisors. Similarly, the leading bank and other financial institutions are also being involved in the overall efforts to develop the district.

Dairy farming is popular in the area, but most farmers keep buffaloes whose milk production is very low and sporadic. This makes buffalo keeping an uneconomic proposition, particularly as the buffaloes in Etah are much less efficient and more under-nourished than in other parts of India. A cross-bred cow has a much shorter dry period and gives a consistent quantity of milk throughout the year. It has been demonstrated at various farms in India that the cross-bred cow easily gives an average of 2,500 kg of milk per year as compared to 500 kg from buffaloes. The company has therefore introduced a cross-breeding program for cows in Etah. To make the cross-breeding program more real to the villagers and to fully establish the feasibility of the program, the company has set up a model dairy of 20 cross-bred cows along with 30 local "non-descript" cows that are being artificially inseminated with semen of proven sires.

At this dairy, the farmers are encouraged to learn about the cross-breeding program and to see for themselves what cross-bred animals look like. They are invited to come and see the progress of the inseminated animals, the cross-bred calves being born and brought up, the milk yield, etc. Having seen the benefits, the farmers are now enthusiastic to take part in cross-breeding programs. The only problem is the initial cost of insemination and of purchasing the cow. Arrangements have therefore been made with the banks who, through their agricultural development wings, have agreed to provide loans to the farmers.

The progress of the integrated rural development program was first reviewed in February 1977, and again in July and September after each of the major crops. The same schedule is being followed this year. The progress and achievements of each village are very encouraging: a distinct increase in yields, a greater awareness of the need to follow better agricultural practices, and the ability to obtain loans, use them productively, and repay them. The farmers also now have a desire to invest in several other activities and equipment to achieve further improvements.

The company says that it has taken up rural development work without any motivation for deriving immediate commercial benefits, although, in the longer term, all such economic development programs will benefit industry as a whole. But Hindustan Lever is an organization conscious of its responsibility to the environment in which it functions. Although its effort is small, it supplements the total national effort and may set the pace for both governmental and other private agencies.

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Narendra Aggarwal is a staff correspondent with the Hindustan Times in New Delhi, India.